

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 14, 1995

SUBJECT: **SB 315 - HB 540**

This bill, if enacted, will amend the AFDC law by providing that an AFDC recipient shall be permitted to own one licensed/operable family vehicle without such vehicle being included in any resource eligibility determination. The amount of AFDC payments to recipients shall be reduced by 20% if the caregiver of a dependent child fails to obtain the recommended immunizations within the first two years of the child's life; however, half of this amount would be returned upon proof of receipt of such immunizations. In addition, the bill provides for a 20% reduction for failure to obtain preventive health care for such child or the child fails to attend school with half of this amount being returned upon evidence that the child has received such care or is again in school. The bill also prohibits payment of AFDC to certain persons under 18 and not living in certain places as outlined in the bill.

The fiscal impact from enactment of this bill as indicated by the Department of Human Services, is estimated to be an increase in first year recurring expenditures of \$3,945,900 of which \$1,972,950 will be

state funds and one-time expenditures of \$756,000 of which \$378,000 will be state funds. Details of this estimate are shown below:

| | <u>Recurring</u> | <u>One-Time</u> |
|--|------------------|-------------------|
| 1. Revision to ACCENT System | \$ | \$262,000 |
| 2. Staffing related to management of 1,115 Waiver of Social Security ACT: | | |
| 2 positions | 50,300 | |
| Related expenses | 6,500 | 12,000 |
| 3. Staffing to address additional time required in eligibility process (2 hrs. per case) | | |
| 134 positions | 2,971,800 | |
| Related expenses | 393,100 | 482,000 |
| OIR charges | <u>524,200</u> | <u> </u> |
| Total Est. Inc. in Expenditures | \$3,945,900 | \$756,000 |
| Funding: | | |
| State | \$2,351,000 | |
| Federal | \$2,350,900 | |

However, we estimate that enactment of this bill will be an increase in first year recurring expenditures of \$881,800 of which \$440,900 will be state funds and one-time expenditures of \$298,200 of which \$149,100 will be state funds. This estimate assumes that staffing to address additional time required in the eligibility process will result in a need of 13 positions as opposed to 134 positions estimated by the Department of Human Services.

The fiscal impact from enactment of this bill is estimated to be a decrease in first year expenditures of \$3,020,290 of which \$1,131,000

will be state funds. These estimates represent savings from grant reductions due to failure by parents to get their children immunizations, failure to obtain preventive health care and failure to attend school.

In summary, the fiscal impact of this bill is estimated to result in a net savings in expenditures of approximately \$1,840,290 of which approximately \$541,000 will be state funds.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director